

AMENDED AND REINSTATED
ACQUISITION AGREEMENT
FOR THE
WELLINGTON PREPARATION PLANT

THIS AMENDED AND REINSTATED ACQUISITION AGREEMENT FOR THE WELLINGTON PREPARATION PLANT, dated the 12th day of October, 1998, is executed by and between NEVADA ELECTRIC INVESTMENT COMPANY ("Seller"), and EARTHCO, a Nevada corporation ("Buyer").

RECITALS

A. WHEREAS, Seller and Buyer previously entered into that certain Acquisition Agreement for the Wellington Coal Preparation Plant dated as of October 21, 1996 (the "Agreement").

B. WHEREAS, the Agreement concerned assets generally constituting the Wellington Coal Preparation Plant (and more particularly described below).

C. WHEREAS, the Agreement also concerned Utah Coal Mining & Reclamation Permit No. ACT/007/012 (the "Reclamation Permit"), held by Seller and issued by the State of Utah and the federal Office of Surface Mining ("OSM"), which creates certain rights and obligations concerning the Wellington Coal Preparation Plant.

D. WHEREAS, the Agreement also concerned that certain reclamation bond with the Utah Division of Oil, Gas and Mining (the "Division") in the amount of \$6,036,000.00 (the "Reclamation Bond") posted by Seller to secure its performance of the reclamation activities at the Wellington Coal Preparation Plant (the "Reclamation Activities") required under a Reclamation Plan approved by the Division (the "Reclamation Plan").

E. WHEREAS, the amount of the Reclamation Bond has now been reduced to \$4,904,000.

F. WHEREAS, the assets located at the Wellington Coal Preparation Plant include, among other things, buildings, equipment, and coal fines, which must be removed as part of the Reclamation Activities and which may have some value upon removal.

G. WHEREAS, Seller agreed to transfer the Wellington Coal Preparation Plant to Buyer in exchange for Buyer's performance of the Reclamation Activities together with other consideration pursuant to the terms of the Agreement.

H. WHEREAS, Buyer agreed to perform the Reclamation Activities and pay certain other consideration in return for the transfer to Buyer by Seller of the Wellington Coal Preparation Plant pursuant to the terms of the Agreement.

I. WHEREAS, prior to executing the Agreement, Buyer had reviewed a copy of the Reclamation Permit and the Reclamation Plan and agreed to assume the responsibilities thereunder.

J. WHEREAS, on August 21, 1998, Seller delivered notice of termination of the Agreement to Buyer and asserts that the Agreement was effectively terminated by that notice.

K. WHEREAS, Buyer asserts that Seller's notice to terminate was ineffective and that the Agreement is presently in full force and effect.

L. WHEREAS, Buyer and Seller now desire to reinstate the Agreement and reaffirm all of its terms and conditions except as expressly modified herein. All capitalized terms used herein without definition shall have the meaning assigned in the Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein as part of the agreement of the parties, the mutual promises, representations, warranties, covenants, conditions and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer covenant and agree as follows:

ARTICLE I CHANGE OF OPERATOR; POSSESSION

Intentionally Left Unmodified

ARTICLE II SELLER'S OBLIGATIONS

2.1 Transfer of Assets. In consideration of the obligations assumed by Buyer as set forth in Article III herein, Seller hereby agrees to transfer, assign, deed and convey to Buyer the following properties, rights and assets:

(a) All of Seller's right, title and interest in and to the Wellington Coal Preparation Plant consisting of fee lands, rights-of-way, water rights, gob, tailings, coal fines, waste piles, railroad tracks (except those owned by The Denver & Rio Grande Western Railroad), buildings and equipment, located on, attached to or connected with the real property more particularly described in Exhibit A, together with other properties, assets and rights directly related or appurtenant thereto (collectively, the "Wellington Plant");

(b) All of Seller's right, title and interest, together with Seller's obligations pursuant to the permits, licenses, servitudes, easements, rights-of-way, surface leases, options, leases of equipment or facilities and other contracts included in the Document List, as defined below, pursuant to Section 4.2; and

(c) All books, files (including computer files and programs), maps and records in Seller's possession or under Seller's control, insofar as they relate to the Wellington Plant to be transferred pursuant to this Agreement, or the maintenance or operation of such assets.

All of the leases, lands, equipment, permits, contract rights and other assets described above are referred to collectively in this Agreement as the "Assets."

2.2 Time of Transfer. Seller hereby authorizes Buyer to retake possession and control of the Assets as of the date hereof; provided that notwithstanding the preceding sentence and subject to Section 2.5 below, Seller shall not be required to transfer its right, title and interest ("Seller's Title") in the Assets to Buyer prior to the date (the "Transfer Date") which is the earlier of (i) October 21, 1999; or (ii) five (5) business days following the date on which Buyer provides Seller with satisfactory written evidence that Buyer has either completely removed Seller's Reclamation Bond by completing the Reclamation Activities, or has replaced Seller's Reclamation Bond with a bond from Buyer satisfactory to the appropriate government agencies.

2.3 Interim Period. Notwithstanding the fact that Buyer shall not possess Seller's Title to the Assets until the Transfer Date, all revenues and proceeds generated by Buyer through salvaging scrap materials, sales of coal fines (subject to Section 3.4 below) shall become the property of Buyer so long as Buyer is not in default under this Agreement. The parties acknowledge that such revenues and proceeds received by Buyer prior to the date hereof and disclosed to Seller are, and have been, the property of Buyer and that all revenues and proceeds after the date hereof shall be deposited into the Escrow Account (as defined in Section 9.1). Seller shall be responsible for keeping the Reclamation Bond valid and current, including the payment of bond premiums, until the Transfer Date.

2.4 Transfer of Reclamation Permit. Upon Buyer's satisfaction of the requirements set forth herein that it reduce Seller's liabilities by completing the Reclamation Activities and replace the Reclamation Bond, Seller shall cooperate fully with Buyer to prepare and submit all documents, applications and other necessary instruments to request the approval of the Division, OSM and any other appropriate government agency, of the transfer of the Reclamation Permit from Seller to Buyer.

2.5 Conditions Precedent to Transfer. Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be obligated to transfer Seller's Title to the Assets to Buyer unless all of the following conditions have been satisfied:

(a) Buyer has fully performed all obligations and duties set forth in Article III hereof;

(b) All of Buyer's representations and warranties contained herein shall be correct in all material respects, at and as of the Transfer Date, with the same force and effect as though such representations and warranties had been made at and as of the Transfer Date;

(c) The appropriate state and federal agencies have approved the transfer of the Reclamation Permit to Buyer and have approved any other necessary permits and leases;

(d) Carbon County Road Special Service District shall have approved Buyer as the assignee of the Agreement Concerning Payment of Tolls, dated August 15, 1989, executed by Seller or its predecessors in interest with Carbon County Roads Special Service District (the "Tolls Agreement"); and

(e) There is no breach or default of this Agreement which remains uncured or which Seller has not waived in writing prior to the Transfer Date.

In the event all of the foregoing obligations in this Agreement are not performed and fully satisfied on or before October 21, 1999, the Agreement, as reinstated and modified hereby, shall automatically terminate and be of no further force and effect.

ARTICLE III BUYER'S OBLIGATIONS

3.1 Possession and Operation of the Assets.

(a) Buyer presently has possession and control of the Assets. For purposes of this Amended and Reinstated Agreement, "Possession Date" shall mean October 21, 1996;

(b) Buyer shall conduct, or cause to be conducted, all activities at the Wellington Plant, (including, but not limited to, reclamation, salvage, demolition, and coal fines sales) in a reasonable and efficient manner that complies with all federal, state and local laws and regulations;

(c) Buyer shall provide all ongoing maintenance, including environmental maintenance, necessary with respect to the Assets;

(d) Buyer shall obtain and maintain during the effectiveness of this Agreement, a general liability insurance policy in the amount of at least One Million Dollars (\$1,000,000.00) covering the Assets and Buyer's activities thereon and listing Seller and Nevada Power Company as additional named insureds. Such policy shall be effective as of the Possession Date;

(e) Buyer acknowledges that its operation of the Assets is subject to the reasonable review and approval of Seller during the period between the Possession Date and the Transfer Date;

(f) Buyer shall investigate and determine the status of water rights associated with the Assets. In the event any such determination results in the requirement under this Agreement that Seller convey some interest in such water rights, Buyer shall provide Seller with reasonable evidence or legal opinions supporting such determination; and

(g) Buyer expressly acknowledges that Seller has informed Buyer of the existence of asbestos at the Wellington Plant and that Seller has made no representations as to the absence of any other hazardous materials.

3.2 Assumption of Reclamation Liabilities. Buyer shall assume all liability under the Reclamation Permit and complete the Reclamation Activities, including, but not limited to, the following:

(a) Buyer shall demolish and remove the buildings and structures which are part of the Assets;

(b) Buyer shall process, sell and remove the coal fines located at the Wellington Plant. In conjunction therewith, Buyer shall obtain and keep current all necessary permits or approvals from the Division or other government agencies in order to process, sell and remove the coal fines, and Buyer shall obtain Seller's consent, which shall not be unreasonably withheld, concerning the method by which the coal fines are to be processed and removed; and

(c) Buyer shall take all reasonable steps to complete the Reclamation Activities and remove or reduce the amount of the Reclamation Bond before October 21, 1999. Unless the Reclamation Bond is otherwise extinguished or removed, Buyer shall take all necessary action before such date to replace the Reclamation Bond with Buyer's own bond or assume Seller's liability under the Reclamation Bond in a manner acceptable to Seller.

3.3 Performance Bond. Buyer shall provide a performance bond in Seller's favor in an amount not less than One Million Dollars (\$1,000,000.00) securing (i) Buyer's performance relating to the demolition of the buildings and structures and the removal of the resulting scrap materials, waste and debris; (ii) Buyer's compliance with the requirements, conditions, statutes and regulations of the State of Utah concerning the Wellington Plant as found in the Approved Reclamation Plan for the Wellington Plant; and (iii) Buyer's compliance with all applicable laws and regulations.

3.4 Payments. While this Agreement is in force, Buyer shall make the following payments:

(a) Buyer shall pay Forty-One Thousand Five Hundred Dollars (\$41,500) which consists of Fifteen Thousand Seven Hundred Fifty Dollars (\$15,750) owed on each of August 21, 1998 and September 21, 1998 plus a makeup payment of Ten Thousand Dollars (\$10,000) to Seller on the date of the execution of this Agreement, the payment of which amounts brings all arrearages to Seller current;

(b) Buyer shall pay Nineteen Thousand Seven Hundred Fifty Dollars (\$19,750) per month to Seller on the same date of each successive month until the termination of this Agreement beginning with the payment due October 21, 1998. Each such monthly payment, and the monthly payment set forth in Section 3.4(a) above, shall be deemed earned by Seller when due and shall be non-refundable in the event of early termination of this Agreement or termination for any other reason. The purpose of such monthly payment is to defray and reimburse Seller for ongoing expenses associated with the Assets, including, but not limited to, the Reclamation Bond premiums, road toll costs, and interest on pre-paid expenses;

(c) Buyer shall pay directly to the appropriate party when due all real and personal property taxes, assessments, special assessments, permitting expenses, insurance costs, and other direct expenses attributable to the Assets.;

(d) Buyer shall be required to make specific payments in the Escrow Account as follows:

(i) all net proceeds of the purchase price to be tendered by Andalex Resources, Inc. ("Andalex"), if and when Andalex closes on the purchase of the Land (as defined in the Option Agreement between Andalex, Buyer and Seller); provided that Buyer and Seller agree that the initial option payment shall be used to fund work to pursue future bond release and that all future deposits into the Andalex escrow may be subject to future use as may be agreed by Buyer and Seller;

(ii) all payments due to Buyer from Covol Technologies, Inc. ("Covol") pursuant to that certain Preparation Plant and Fines Pond Lease dated as of February 21, 1997 beginning with the payment in the amount of approximately \$395,800 due on or about November 21, 1998; which payments Buyer shall instruct Covol, by delivery of a letter in substantially the form attached hereto as Exhibit D, to make directly to the Escrow Account;

(iii) twelve (12) payments of twenty thousand dollars (\$20,000) per month, commencing on the 21st day of November, 1998, and continuing on the 21st day of each month thereafter;

(iv) payment of forty thousand dollars (\$40,000) upon execution of this Agreement; and

(v) all proceeds arising from any rental, lease, sale, pledge, transfer of any kind or any other source with respect to the Wellington Coal Preparation Plant (in addition to the proceeds of the sale to Andalex and the Covol payments);

All of the foregoing payments and the payments set forth in Section 3.4(e) below shall be paid into escrow until the cumulative total in the Escrow Account is equal to the total amount of the Reclamation Bond Liability outstanding.

(e) Buyer shall also pay into the Escrow Account any proceeds, after payment of reasonable and customary expenses, received from public or private offerings of Buyer's securities to the extent necessary to retire or remove the Reclamation Bond.

3.5 Other Agreements, Permits, Filings.

(a) Buyer shall take all necessary actions to assume Seller's liabilities and obligations under the Tolls Agreement;

(b) Buyer shall prepare all necessary documentation to be submitted to the Division, OSM, the Bureau of Mines, Carbon County, and all other appropriate federal,

state and local agencies, in support of the Change of Operator Application, the application to transfer the Reclamation Permit from Seller to Buyer, the assignment of the Tolls Agreement, and any other permits, leases, licenses, and agreements which must be transferred or assigned to allow Buyer and Seller to perform their obligations under this Agreement. In conjunction with the performance of its duties set forth in the preceding sentence, Buyer shall pay all fees, fines, costs, penalties, assessments and other expenses, including, but not limited to, filing, copying, preparation, and consulting expenses; and

(c) Buyer shall prepare, at its sole expense, all regulatory filings on a timely basis which are required in connection with the Assets or the operation thereof.

3.6 Indemnification. Buyer shall indemnify and hold Seller harmless against all claims, damages, fines, penalties, judgments, costs, expenses and liabilities relating to or arising out of the Assets or operation thereof which are imposed on or paid, incurred or suffered by Seller and pertaining to the period of time beginning on the Possession Date and continuing thereafter.

3.7 Performance Milestones. Buyer shall cause the Reclamation Bond liability amount to be reduced to zero by October 21, 1999. Buyer shall cause such reduction to be achieved by any combination of the following:

(a) the completion of certain required Reclamation Activities which results in the reduction of the Reclamation Bond liability;

(b) the accumulation of payments into the Escrow Account from securities offerings proceeds and sales of coal fines, (for purposes of determining whether the liability amount has been reduced as required herein, the cumulative total of all such payments into the Escrow Account shall be deemed to be a reduction of the liability amount in the amount of such cumulative total); and

(c) the posting of Buyer's own bond securing the performance of the Reclamation Activities in replacement or reduction of Seller's Reclamation Bond.

ARTICLE IV SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer, as of the date of the Agreement and again as of the date of execution hereof, that:

4.1 Authority.

(a) Seller has full corporate power and authority to enter into and carry out the transactions contemplated by this Agreement;

(b) This Agreement is the valid and binding agreement of Seller, enforceable in accordance with its terms;

(c) Except as stated in the Document List, as defined below, no consent or approval of any governmental entity is required for the performance by Seller of its obligations pursuant to this Agreement, other than the transfer of the Reclamation Permit and any approval required by the State of Utah, Carbon County or OSM;

(d) Seller knows of no material facts or circumstances which have not been disclosed herein or in the documents referenced herein, which if not disclosed to Buyer would make any of the representations in this Article materially misleading; and

(e) Seller has obtained all necessary permits or governmental authorizations and approvals required to conduct Seller's existing operations on the Assets.

4.2 Document List. Buyer has been furnished with a written list (the "Document List"), a copy of which is attached hereto as Exhibit C, which identifies the documents in Seller's possession relating to the following:

(a) leasehold, fee or other real property owned, leased or otherwise held by Seller that is included in the Wellington Plant as identified on Exhibit A;

(b) material governmental permits, licenses, authorizations or filings of Seller pertaining to the Wellington Plant;

(c) reclamation bonds or similar instruments relating to the operations of Seller at the Wellington Plant;

(d) consents and approvals of governmental entities which are required for the performance by Seller of its respective obligations pursuant to this Agreement; and

(e) liens, encumbrances and liabilities to be assumed by Buyer after the transfer of Seller's Title to the Assets on the Transfer Date.

4.3 Title. The title of Seller to the Wellington Plant and the items of personal property owned by Seller which are referred to on Exhibit A and Exhibit B shall be transferred to Buyer, free and clear of liens and encumbrances except for the following:

(a) Encumbrances consisting of zoning restrictions, easements, rights-of-way and licenses, restrictions on the use of real property and other exceptions to title, liens and encumbrances listed in the preliminary title commitment of which Buyer has been advised and has accepted or any objection to which is deemed waived;

(b) Terms, provisions and limitations contained in the instruments creating Seller's fee interests, leases, easements, rights-of-way, permits and licenses, including the rights of the underlying owners or parties in possession of which Buyer has been advised and has accepted;

(c) Boundary areas and other survey defects;

(d) Such other encumbrances as are identified in the Document List to be assumed by Buyer, including payments to the Price Water Improvement District;

(e) Exceptions to title set forth in Article VIII; and

(f) All encumbrances arising on or after the Possession Date.

4.4 Agents' Fees, Etc. No agent, broker, investment banker, person or firm acting on behalf of Seller, or under its authority, is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from any of the parties to this Agreement in connection with any of the transactions contemplated in this Agreement.

4.5 General. Except for the representations and warranties of Seller expressly set forth in this Article, Seller makes no representations and warranties with respect to the transactions contemplated by this Agreement. If, within thirty (30) calendar days after the date of this Agreement, Buyer determines or has reason to believe that any of Seller's representations and warranties is materially untrue, Buyer shall promptly give Seller written notice of such belief identifying the representation or warranty in question and specifying the particulars. Seller shall have a period of 30 days from its receipt of such notice in which to cause any such representation or warranty to be materially true or Buyer shall have the right to terminate this Agreement.

ARTICLE V BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as of the date of the Agreement and again as of the date of execution hereof that:

5.1 Due Incorporation, Etc. Buyer is a duly organized and validly existing corporation of the State of Nevada, having all requisite power to carry on its business as now being conducted, and Buyer is qualified to do business in each jurisdiction in which its failure to so qualify would materially adversely affect Buyer or its financial condition or business or ability to perform the transactions contemplated by this Agreement.

5.2 Authority, No Breach, Etc.

(a) Buyer has full power and authority to enter into and carry out the transactions contemplated by this Agreement;

(b) The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated in this Agreement will not: (i) violate any provision of Buyer's Articles of Incorporation or Bylaws, or (ii) violate any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, indenture, other agreement, order, judgment or decree to which Buyer is a party or by which Buyer or any of Buyer's property is bound;

(c) The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized and approved by all necessary action on Buyer's part;

(d) This Agreement is the valid and binding agreement of Buyer enforceable in accordance with its terms; and

(e) All consents or approvals of any third party or governmental entity other than Buyer, required for the performance by Buyer of its obligations pursuant to this Agreement have been obtained.

5.3 Agents' Fees, Etc. No agent, broker, investment banker, person or firm acting on behalf of Buyer or under its authority is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from any of the parties to this Agreement in connection with any of the transactions contemplated by this Agreement.

5.4 Ability to Perform Reclamation. Buyer has reviewed the Reclamation Permit and the Reclamation Plan and has or will obtain the ability and expertise to comply with the requirements of such documents and to complete the Reclamation Activities.

5.5 Financial Capability. Buyer has and will have sufficient funds and the full financial capability to perform its obligations under this Agreement.

5.6 General. Except for the representations and warranties of Buyer expressly set forth in this Article, Buyer makes no representations and warranties with respect to the transactions contemplated by this Agreement. If, within thirty (30) calendar days following the date of this Agreement, Seller determines or has reason to believe that any of Buyer's representations and warranties is materially untrue, Seller shall promptly give Buyer written notice of such belief, identifying the representation or warranty in question and specifying the particulars. Buyer shall have a period of 30 days from its receipt of such notice in which to cause any such representation or warranty to be materially true or Seller shall have the right to terminate this Agreement.

ARTICLE VI COVENANTS OF SELLER

Seller agrees that from and after the date of this Agreement and continuing until the Possession Date, unless this Agreement is terminated earlier:

6.1 Cooperation. Seller shall cooperate fully with Buyer in dealing with regulatory authorities requiring approval of the transfer of permits and leases from Seller to Buyer. Seller shall promptly file such applications as are necessary to seek approval of the transactions contemplated by this Agreement when such action is required of Seller by this Agreement.

6.2 Conduct of Business Until Possession Date.

(a) Seller's books, records and accounts shall be maintained in a manner consistent with past practice;

(b) Seller shall maintain, in full force and effect insurance identical or substantially identical to all presently existing fire and extended coverage, workman's compensation, liability and other property and casualty insurance insuring the Assets;

(c) Without the prior written consent of Buyer, Seller shall not dispose of any of the Assets except pursuant to a transaction permitted by Sections 10.1 and 12.1; and

(d) Seller shall not begin any mining operations at the Wellington Plant.

6.3 Obtaining of Consents, Etc. Seller shall take all necessary corporate and other action and use its best efforts to obtain such third party consents, approvals and amendments of agreements, if any, as may be necessary for it to carry out the transactions contemplated in this Agreement.

6.4 Availability of Documents. Seller shall, make available to Buyer all documents in Seller's possession pertaining to the Assets, including leases, agreements, etc., but Seller need not guarantee that it has correctly identified all such documents.

ARTICLE VII COVENANTS OF BUYER

Buyer agrees that from and after the date of this Agreement and continuing until the Possession Date, unless this Agreement is terminated earlier:

7.1 Cooperation. Buyer shall cooperate fully with Seller in dealing with regulatory authorities requiring approval of the transfer of permits and leases from Seller to Buyer. Buyer shall promptly file such applications as are necessary to seek approval of the transactions contemplated by this Agreement when such action is required of Buyer by this Agreement.

7.2 Obtaining Consents, Etc. Buyer shall take all necessary corporate and other action and use its best efforts to obtain such third party consents, approvals and amendments of agreements, if any, as may be necessary for it to carry out the transactions contemplated in this Agreement.

ARTICLE VIII TITLE TO ASSETS

8.1 Title. Subject to the provisions set forth in this Agreement, Seller shall transfer Seller's Title to Buyer, free and clear of liens and encumbrances, except as specifically provided in Section 4.3. In the transfer instruments Seller shall warrant its title to the Assets, except that all equipment shall be assigned "as is," "where is" and without warranty as to fitness or merchantability and Seller makes no representations regarding the beneficial use of the water rights. Further, Seller shall provide, to the extent possible, for full subrogation of Buyer to the rights of Seller or Seller's related entities under all warranties of title previously made by others other than Seller's related entities, at Buyer's option.

8.2 Title Evidence. Seller has caused to be furnished to Buyer an ALTA Owner's Title Insurance Commitment (the "Title Binder") issued by a reputable, national title insurance company describing the real property which is part of the Assets, listing Buyer as the prospective named insured and in the amount of One Million Dollars (\$1,000,000.00). The cost of the Title Binder and of the Owner's Title Policy to be provided to Buyer on the Transfer Date shall be borne by Seller and shall be paid on or before the Transfer Date.

8.3 Review of Title and Survey. Buyer has reviewed and accepted all exceptions set forth in the Title Binder.

ARTICLE IX ESCROW ACCOUNT

9.1 Escrow Account. The "Escrow Account," as used herein, shall mean funds deposited in the name of Buyer with and to be held by First Security Trust Company in escrow as escrow agent (the "Escrow Agent"). The Escrow Account shall be disbursed by the Escrow Agent as follows: (i) upon the joint direction of Buyer and Seller to the Division, OSM or other appropriate federal or state agencies to reduce the Reclamation Bond, (ii) upon the joint direction of Buyer and Seller to provide Buyer's bond in replacement of the Reclamation Bond as set forth in Section 3.2(c), (iii) upon the joint direction of Buyer and Seller to third parties in reasonable amounts to complete certain Reclamation Activities required under the Reclamation Permit, or (iv) at the direction of Seller to Seller in the amount of any default in Buyer's payments under Section 3.4(a), 3.4(b) and 3.4(c) above. Buyer shall deposit with Escrow Agent such amounts as are required under this Agreement including without limitation those obligations set forth in Sections 3.4(d) and (e) above. Nothing contained herein shall require Buyer to fund the Escrow Account beyond an amount sufficient to satisfy the Division, OSM and other appropriate federal and state agencies to release Seller's Reclamation Bond. If Buyer completes its obligations enumerated in Section 2.5 by October 21, 1999 and Seller transfers its title to the Assets, Buyer shall take all the escrow money. Otherwise, Seller shall receive the escrow money.

ARTICLE X DEFAULT

10.1 Default by Buyer. Buyer shall be in default of this Agreement upon: (i) Buyer's failure to perform any duty or obligation by the time required, as set forth herein; or (ii) failure of any representation or warranty made by Buyer herein to be true. In the event of a default by Buyer, Seller, at its option, shall have the following remedies after giving Buyer fifteen (15) days written notice specifying the default and describing Seller's intention to exercise its rights under this section:

(a) If Buyer has not cured the default within such fifteen (15) day period, Seller may unilaterally terminate this Agreement and Buyer shall immediately vacate and relinquish possession of the Assets;

(b) Seller may take reasonable actions to cure the default. Any cost incurred by Seller under this remedy must be reimbursed by Buyer. Failure by Buyer to so reimburse

shall constitute an additional default by Buyer entitling Seller to refuse to transfer Seller's Title to the Assets;

(c) A late charge of 5% of the amount of any payment to be made hereunder shall be automatically imposed on the 1st day after the due date of such payment. This charge shall not be deemed to be a penalty but is a reasonable estimate of costs and expenses incurred by Seller on account of such delay;

(d) Seller may maintain the effectiveness of this Agreement and commence an action to require specific performance of Buyer's obligations. The Transfer Date may be extended, at Seller's option, while the action is pending;

(e) Seller may terminate this Agreement and commence an action for damages. Buyer shall immediately vacate and relinquish possession of the Assets; and

(f) Seller may terminate or maintain the effectiveness of this Agreement and commence an action to enforce the performance bond required under Section 3.3.

Any waiver by Seller of a default by Buyer must be in writing. The remedies listed above are cumulative; Seller may choose to pursue more than one of the listed remedies simultaneously if the remedies pursued are not inconsistent.

ARTICLE XI MISCELLANEOUS

11.1 Binding Agreement. All terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties to this Agreement and their respective successors and assigns. Neither Buyer nor Seller may assign any of its interest in this Agreement without the written consent of the other, which consent shall not be unreasonably withheld.

11.2 Notices. All notices, requests, waivers and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally or by prepaid telex or telegram or by telecopier, with the original and transmission confirmation sent by first class mail, to:

IF TO SELLER:

Richard Hinckley, Esq.
Nevada Electric Investment Co.
c/o Nevada Power Company
6226 West Sahara Avenue
Las Vegas, Nevada 89151
Fax: 702-227-2069

IF TO BUYER:

EARTHCO
Attn: Jerry W. Slusser
3637 North Meridian Street, Suite 100
Indianapolis, Indiana 46208-4233

11.3 Waivers. The failure of any party at any time to require performance of any provision of this Agreement shall not affect its right later to require such performance. No waiver in any one or more instances shall, except as otherwise stated in such waiver, be deemed to be a further or continuing waiver of such condition or breach in other instances or a waiver of any condition or breach of any other term, covenant, representation or warranty.

11.4 Liability. The representations, warranties and covenants set forth in this Agreement and the liabilities of the parties with respect to such representations, warranties and covenants shall expire and terminate within one year after the Transfer Date, and any action to enforce specific performance or recover any amounts with respect to such representations, warranties and covenants shall thereafter be barred, except actions based on fraud. In no event shall consequential, exemplary or punitive damages be recoverable with respect to this Agreement by or against any party to this Agreement.

11.5 Materiality. Materiality, and the meaning of such terms as "material" or "materially," in connection with either party shall be in each case determined in the context of that party's financial condition, business, properties and assets considered as a whole.

11.6 Time Period Calculation. All time periods in this Agreement shall be calculated on the basis of calendar days, unless business days are expressly set forth.

11.7 Expenses. Each party shall pay its own expenses incurred in connection with the authorization, preparation, execution and performance of this Agreement, including without limitation all fees and expenses of counsel and accountants.

11.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.9 Headings. The headings preceding the text or Articles and Sections of the Agreement are for convenience of reference only and are not part of this Agreement.

11.10 Applicable Law. This Agreement is governed by and shall be construed and enforced in accordance with the laws of the State of Utah.

11.11 Remedies Cumulative. The remedies provided herein shall be cumulative and in addition to any other remedies provided by law or in equity.

11.12 Entire Understanding; No Oral Amendment. This Agreement is intended by the parties as a final expression of their agreement and supersedes all prior communications, representations and agreements, oral or written, between the parties with respect to the subject matter contained herein. The parties also intend this Agreement to be a complete and exclusive statement of the terms of their agreement. This Agreement may not be modified or terminated orally, and no claimed modification, termination, rescission or waiver shall be binding on Buyer or Seller unless set forth in writing and signed by a duly authorized representative of Buyer and Seller.

11.13 Attorney Fees. In any action or proceeding brought by one party hereto against the other party concerning the enforcement or interpretation of this Agreement, the party who prevails therein shall be entitled to recover, in addition to any other damages or awards, the costs of bringing or defending such action or proceeding, including reasonable attorney fees.

11.14 Interpretation. The parties acknowledge that they both have had opportunity to and did suggest changes to earlier drafts of this Agreement, and both parties approved the final version's form and content. Accordingly, the parties agree that this document should not be construed against the party who drafted it.

ARTICLE XII CASUALTY LOSS

12.1 Casualty Loss. If prior to the Possession Date any of the Assets are substantially damaged or destroyed by fire, accident, explosion or other casualty ("Casualty Loss"), Seller shall notify Buyer promptly after Seller learns of such event. Seller shall have the right, but not the obligation, to cure any Casualty Loss by repairing such damage or, in the case of personal property or fixtures, replacing the Assets affected by the Casualty Loss prior to the Possession Date. To the extent Seller anticipates that a Casualty Loss cannot or will not be cured prior to the Possession Date, Seller shall notify Buyer promptly and the parties shall promptly meet and attempt to agree upon any appropriate modifications to this Agreement on account of the Casualty Loss. If the parties determine the value of the Casualty Loss in aggregate equals or exceeds \$50,000.00, Buyer shall have the right to terminate this Agreement. Notwithstanding anything to the contrary contained in this Agreement, Seller shall be entitled to retain all insurance proceeds and claims against other parties in respect of such Casualty Loss. After the Possession Date the risk of loss due to a Casualty Loss shall be borne by Buyer.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it as of the date first above written.

BUYER:

EARTHCO


Title: _____

SELLER:

NEVADA ELECTRIC INVESTMENT COMPANY

By: _____

Title: _____

11.13 Attorney Fees. In any action or proceeding brought by one party hereto against the other party concerning the enforcement or interpretation of this Agreement, the party who prevails therein shall be entitled to recover, in addition to any other damages or awards, the costs of bringing or defending such action or proceeding, including reasonable attorney fees.

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IN WITNESS WHEREOF, the parties to this Agreement have duly executed it as of the date first above written.

BUYER:

EARTHCO

Title: _____

SELLER:

NEVADA ELECTRIC INVESTMENT COMPANY

By: Richard L. Hendley

Title: Vice President, Secretary and General Counsel

EXHIBIT LIST

Exhibit A: Real Property Description

Exhibit B: Personal Property Description

Exhibit C: Document List

Exhibit D: Covol Letter